

# **SCAG: Transportation funding falls \$132 billion short**

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The region's transportation system is so clogged that Southern California residents and businesses will have to pay up if they want swifter freeways and efficient transit systems, according to a regional plan released Thursday.

Current funding falls far short of the estimated \$545.3 billion needed to upgrade and expand the transportation system throughout the six-county Southern California area.

And with \$132 billion needed to fill the gap, the region should pursue pay-to-use programs including toll roads, benefit-assessment districts and cargo container fees, according to the plan by the Southern California Association of Governments.

"It's time to recognize the infrastructure problems that we're facing," said Alan Wapner, an Ontario City Council member who helped oversee the plan. "We've never really placed a value on private transportation."

The 30-year transportation plan, which includes a regional report card, outlines all projects eligible for funding and explains how to pay for them.

Some Los Angeles leaders said the region has no choice but to explore new ways to raise money for transportation projects - and they think voters can be convinced.

"People understand that we need to do more, and that years of neglect and years of lack of vision have put us in the situation where we are really behind the eight ball in having a public transportation system that works," said Los Angeles City Councilwoman Wendy Greuel, who heads the council's transportation committee.

"People are willing to look at things they never looked at before."

Mayor Antonio Villaraigosa, who has championed the westward extension of the Purple Line - or the "Subway to the Sea" - has his office analyzing funding schemes for that project and other major mass transit expansions in the city.

"All options are on the table to fund that investment," spokesman Matt Szabo said.

SCAG Executive Director Mark Pisano said most of the proposed innovative financing schemes have been used before - Orange County has toll roads, and railroads pay users fees' along the Alameda Corridor.

"We are suggesting we learn from the lessons of the past and move them forward," Pisano said. "The reason we haven't moved forward is the state has been unwilling to give us the authority to do more of these types of projects."

Yet many of the concepts are politically unpopular. Critics deride toll roads as "Lexus Lanes" that get the wealthy out of traffic.

And some lawmakers and state employee unions are wary of government partnering with private firms to develop roads or transit lines.

"We are hopeful the public realizes the importance of raising the dollars," said Gary Oviatt, a San Bernardino County supervisor and president of SCAG.

"We see that the state is continually taking (transportation) dollars and putting them in other parts of the budget to balance it. Therefore it's important that we try the tolling and some of these other efforts in hopes that this is the right time."

While existing local, state and federal dollars make up \$413billion - the bulk of money needed for the 30-year transportation blueprint - the plan suggests 12 options that could generate \$132billion to fill the gap.

Those include:

Raising the state and federal gas tax by 20cents per gallon, which would generate \$17million.

Benefit-assessment districts along the planned extensions of the Gold and Purple lines in which businesses and developers pay a tax for the "benefit" of sitting alongside them. Such districts could generate \$3.7billion.

The first phase of the Red Line from Union Station to MacArthur Park levied a tax on nearby businesses that will have generated \$130million when it expires in 2009. But efforts to tax businesses during later phases of the Red Line through Hollywood were shot down.

Los Angeles County Metropolitan Transportation Authority CEO Roger Snoble said his agency will consider benefit-assessment districts and any other funding mechanism to pay for subway and light-rail expansions.

"The fact is we need to generate a new source of revenue if we are to have a prayer of keeping up with the problems of this region," Snoble said.

Highway tolls on new projects, such as a proposed tunnel under South Pasadena connecting Interstate 710 to Interstate 210. Tolls could generate \$26billion.

Public-private partnerships in which a private company would finance and build roads or a transportation line under a lease agreement, which could generate \$8.4billion.

For example, a private firm has proposed building a Maglev-like train that could carry freight from LAX and the harbor to Ontario.

Gov. Arnold Schwarzenegger and some Republican lawmakers have been pushing for more public-private partnerships on infrastructure projects, but some state employee unions and Democratic lawmakers have resisted amid labor-related concerns.

Schwarzenegger said he plans to introduce more proposals for partnerships in his 2008 State of the State address next month.

"To keep our economy moving, we have to do everything that we can in order to create the infrastructure faster, cheaper and better, and I think that we can do that with the public-private partnership," Schwarzenegger said during a speech in Los Angeles last week.

"It's just that right now it is such a new concept for our legislators that they're not there yet 100percent."

Last year, Democratic leaders authored a bill that would allow four new public-private partnerships, two in Southern California and two in Northern California.

"The speaker believes they're worth looking into, but they're not a panacea," said Steve Maviglio, spokesman for Assembly Speaker Fabian Nunez, D-Los Angeles, who proposed the pilot project bill.

But some Republicans and private companies are concerned the bill requires legislative approval for individual projects - meaning they could be renegotiated with more provisions that dilute some of the economic benefits or change the original terms of the bid.

Sen. George Runner, R-Lancaster, who is carrying legislation to expand the use of such partnerships, said he hopes to convince the unions that public-private partnerships will not mean layoffs.

"We see these as job opportunities," Runner said. "These are going to be projects that just won't happen unless we have that private investment there backed up by some kind of a toll or some kind of a user fee that then helps provide the payback for the investor."

The 2008 Regional Transportation Plan is now under review, and SCAG will approve the final draft next year.

Staff Writer Rick Orlov contributed to this story.